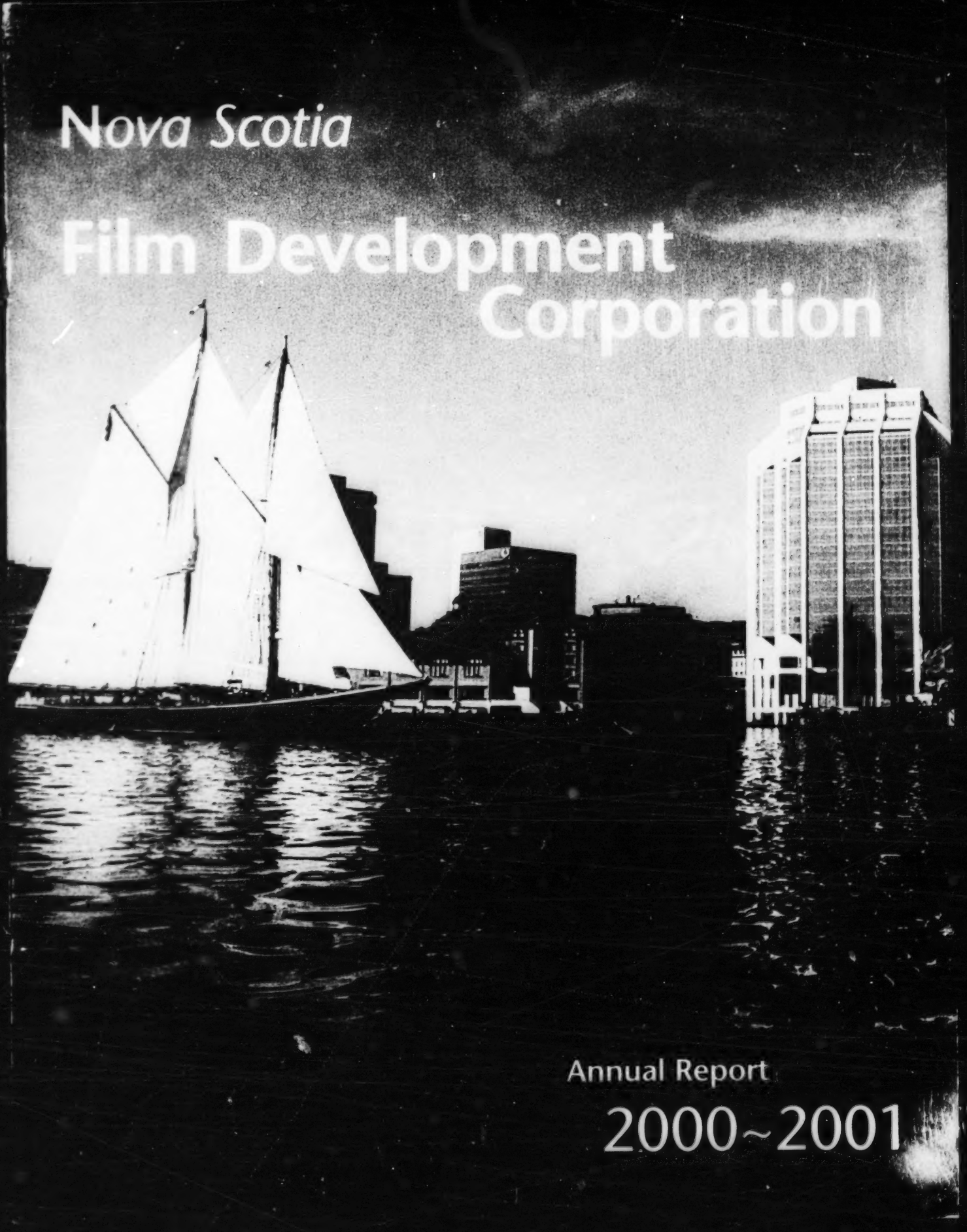

Nova Scotia
Film Development Corporation
Annual Report
2000~2001

Table of Contents

Message from the Minister

Message from the Chair

Board of Directors

Contracted Projects 2000 - 2001

Message from the CEO

Nova Scotia Film Development Corporation

Nova Scotia Film Production (Graph)

Auditor's Report

Statement of Financial Position

Statement of Operations
and Changes in Fund Balances

Notes to Financial Statements

Advertising, Marketing,
and Administrative Expenses

Ollie's Under the Red Adventures
Collideascope Digital Productions Inc.

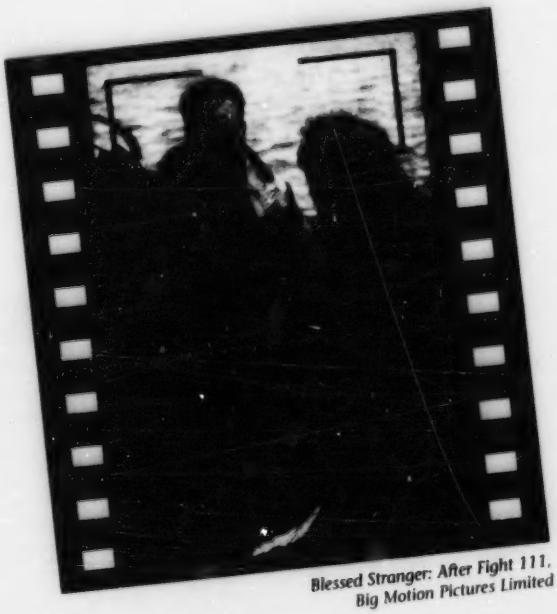
102-00904/

Message from the Minister

The song "You Oughta Be In Pictures" may conjure up Hollywood for most people, but for many film producers these days, it's Nova Scotia that comes to mind. Several major studio productions came to our province this past year, showing the world that we can, as the lyrics go, make a great sensation. Our film industry was humming the Hollywood anthem to the tune of $100 million spent directly on production during fiscal 2000 - 2001.

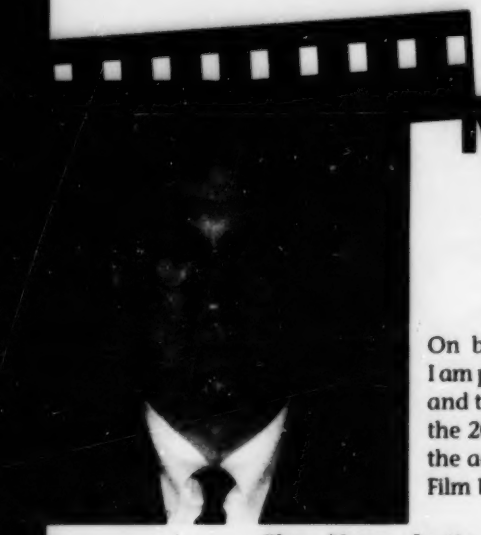
Nova Scotia's success, however, is more than about dollars spent and dollars earned. It's also about earning our place in film and television through the talents, the skills, and the dedication of Nova Scotian actors, directors, technicians and others active in the industry. You know we've merited more than a little notice when the stars who have shot films in the province recently include Harrison Ford, Liam Neeson, Judi Dench, Gabriel Byrne, Cate Blanchett, Julianne Moore, Mira Sorvino, and Mariah Carey. And if we needed more confirmation, Nova Scotians could only feel a sense of pride when Kevin Spacey mentioned Nova Scotia as he presented the best actor Oscar at the 2001 Academy Awards.

The provincial government is pleased to be a partner in this exciting, growing industry through the Nova Scotia Film Development Corporation. Much of our success is a result of the commitment and hard work of staff at the NSFDC in attracting productions and helping to develop our production resources. Congratulations on a job well done.



Blessed Stranger: After Fight 111,
Big Motion Pictures Limited

Gordon Balser
Minister responsible for
the Nova Scotia Film Development Corporation



Message from the Chair

September 1, 2001

On behalf of the Board of Directors, I am pleased to present the Government and the people of Nova Scotia with the 2000-2001 Annual Report on the activities of the Nova Scotia Film Development Corporation.

The Nova Scotia Film Development Corporation's mandate is to grow the film and video industry in Nova Scotia by stimulating investment and employment and by promoting Nova Scotia's locations, skills and creativity in global markets. With production dollars spent in the province of $100 million this year, we are proud to report that our goal is being met.

One of the major challenges faced by Nova Scotia's filmmakers is the distance between them and the broadcasters and distributors, which are located in Toronto and Montreal. To address this challenge the Corporation hosted two Broadcaster Forums during the year where key decision-makers from each of the major broadcasters were brought to Halifax for several days. During the forum local producers pitched program ideas to the broadcasters. These forums have been tremendously successful and producers have successfully pitched their ideas and established relationships that will continue.

In order to keep producers abreast of the current industry practices the Corporation hosted a Business Issues Training Seminar bringing together presenters from the legal, financial, government, broadcasting, banking and strategic planning sectors. This event was well attended and addressed many of the current challenges facing the dynamic film and television industry.

The Corporation is proud to have sponsored the Atlantic Film Festival once again this year. With the number of international delegates increasing each year, the festival provides valuable venues to showcase the work of Nova Scotia's filmmakers and provides exposure for the province.

The growth in Nova Scotia's film industry could not have been achieved without the active support of the Government of Nova Scotia. The industry has received support and funding initiatives including direct investments in film projects, training programs, and infrastructure to sustain the industry such as the film industry tax credit, soundstages and animation facilities. The Premier, the Honourable John Hamm, and the Minister of Economic Development, the Honourable Gordon Balser, remain strong supporters of film and new media with a commitment to vigorously promote Nova Scotia as a film, video and multi-media production location.

The Board is proud of the CEO, Ann MacKenzie and her team at the Nova Scotia Film Development Corporation. The increase in activity in the film industry and new funding partners is a testament to their hard work and commitment to their clients in the industry.

To conclude, the Board of the Nova Scotia Film Development Corporation is proud to have worked with the many talented and committed people involved in growing our film and television industry and we are pleased to have been able to make a contribution of significance in the growth of the economy in Nova Scotia.

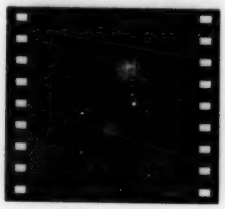
Martin Pink, QC
Chair,
The Board of Directors

Board of Directors

Martin Pink, Chair

Martin Pink
Director 2000, & Chair 2001, Yarmouth

Peggy Walt
Director 1997- 2001, Halifax



Dr. Owen Ferguson, Director

Dr. Owen Ferguson
Director 2000 - 2001, Truro

Michael Condé
Director 2000 - 2001, Secretary, Halifax

Michael Condé, Secretary

Shirley Carras
Director 2000 - 2001, Halifax

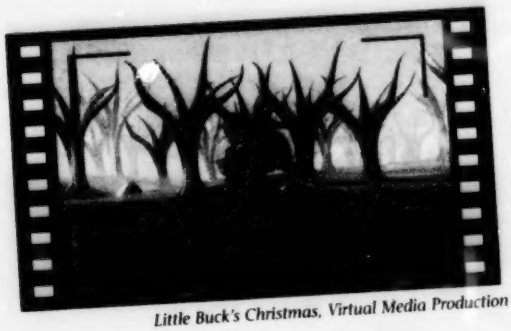
Bruce MacDonald
Director 2001, Treasurer, Baddeck

Bruce MacDonald, Treasurer

Rita Lamontagne MacDonald
Director 2001, Martin's Point

Mark Macneill
Director 2001, Tantallon

Rita Lamontagne MacDonald, Director



Little Buck's Christmas, Virtual Media Production

Mark Macneill, Director

Contracted Projects March 31, 2001

Summary - Program Funds Contracted & Tax Credits Finalized for the year ended March 31, 2001

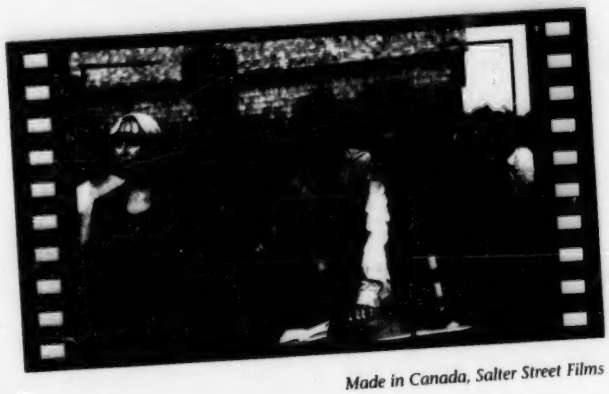
Equity Investment	$ 1,564,812
Development Loans	217,311
Special Projects	478,159
Training Assistance Program	43,191
Total Program Funds	2,303,473
Finalized Tax Credits	12,596,187
Total Contracted Program Funds & Finalized Tax Credits	**$ 14,899,660**

Equity Investments Contracted March 31, 2001

Big Motion Pictures	Blessed Stranger	$200,000
CJLS	Acadian Music	8,048
Creative Atlantic	LIOGRAPHY	200,000
Collideascope	Heart of Laughter	21,920
Collideascope	Ollie's Under the Bed Adventures	49,209
Crushed Raccoon	Soul Searching for the Blues	33,000
Envision	Fishing on the Brink	17,596
Helix Animation	For Better or For Worse	100,000
imX	Seats 3a & 3c	150,000
Ocean Digital	Reinventing Ritual	75,000
Redstar	Ravished by the Spirit	12,500
Redstar	Shakespeare	19,250
RHX Consulting	OOPS!	35,000
Rusty Pelican	A Moving House Adventure	24,716
Salter Street	Blackfly	200,000
Stranger Films	Fade to Black	14,988
TPB Productions	Trailer Park Boys	50,000
Topsail Entertainment	Marrying Well	100,000
Triad	Learning Peace	37,585
Triad	Cecil's Journey	10,000
Tri-Media	The Canadians	35,000
Victory Motion Pictures	Borradaile's Century	50,000
Virtual Media	Little Buck	75,000
We People Productions	Never No More	20,000
Wharf Rat	Barra X-mas	26,000
TOTAL		**$ 1,564,812**

Development Loans Contracted March 31, 2001

Big Motion Pictures	Portland Street	$10,000
Collideascope	North of Northwood	7,525
Creative Atlantic	All Fall Down	9,750
Cut to the Chase	Not Dead Yet Again	2,281
Chronicle Pictures	Weaver	10,000
First Light	Future of Shambhala	3,300
Idlewild	Marion Bridge	12,741
imX (New Media)	Latitudes	10,000
Jigsaw	Gideon's Blues	10,000
Lime Leopard	The Happy Fun Gang	10,697
Magic Cat	By Way of Introduction	5,000
New Scotland	Scarlet Ribbons	4,000
Nexus	apparently	5,844
Ocean	Premier you can't do that	10,000
Perfect Productions	Words of My Perfect Teacher	5,000
Picture Plant	George & Rue	10,000
Redstar	Citadel Arms	7,350
RDA	Fat Bald Kid	15,000
RDA (New Media)	Neverville	10,000
Second Wave	The Joshua Project	10,000
Soul's Lake	Body of Water	6,162
Topsail Entertainment	Rideau Hall	15,000
Topsail Entertainment	Pier 21 - Drama	15,000
Victory Motion Pictures	Borradaile's Century	9,870
Ziji	Refugee Status	2,791
TOTAL		**$ 217,311**



Made in Canada, Salter Street Films

Special Projects Contracted March 31, 2001

Atlantic Film Festival	AFF 2000	$45,000
CFAT	Mentorship	3,600
CFAT/AFCOOP	Program 5	44,625
J. Kerrigan	Slug	6,000
King's Film Festival	King's Film Society	6,000
Moving Images Group	2000 Workshop Series	16,000
Forum	Amsterdam Documentary Forum	500
Business Issues	Business Issues	5,892
First Works	First Works - Shelburne & Sydney	123,888
First Works	First Works - Preston	96,083
Hot Docs	Hot Docs 2001	3,000
SWSDA	Industry Canada	11,737
Input 2000	Input 2000	25,000
Training	Location Scout Training	5,172
Powertrain	Powertrain	584
Forum	Broadcaster Forum May & Nov	30,801
Various Producers	Travel Assistance	10,274
Various Producers	Travel Assistance (ACFP)	39,503
Step-up Productions	Reel Black Film Night	4,500
TOTAL		**$ 478,159**

Training Assistance Program Contracted March 31, 2001

Black River	Battle at our Shores	$2,313
East West Production	Little Green Men	6,174
Eco-Nova	Sea Hunter	8,476
imX	For Better or Worse	3,961
Tri-Media	The Canadians	4,336
Topsail Entertainment	Trailer Park Boys	7,520
Topsail Entertainment	Scotland PA	10,411
TOTAL		**$ 43,191**

Note: Some of these funds were dispersed in fiscal 2000/01. The remainder will be dispersed when contractual terms are met.

Message from the CEO

September 1, 2001

This past fiscal year has been an exciting one for Nova Scotia's film community. 2000-2001 marked the first year in Nova Scotia's film history to realize steady production shooting throughout the winter months. Nova Scotia boasts spectacular locations, first class crews, attractive financial incentives and the infrastructure necessary to sustain the production demands presented.

The film and television industry has experienced steady growth with annual revenues in excess of $100 million. Much of this growth is directly attributable to Nova Scotia's many talented filmmakers and the strong level of support provided by the Government of Nova Scotia. Nova Scotian filmmakers are consistently recognized with Gemini awards as well as nominations for Genie awards.

Nova Scotia producers are creating world class programming for national and international audiences. Successful local productions include Blessed Stranger: After Flight 111, Trailer Park Boys, Liography, Made in Canada, Lexx, Ollie's Under the Bed Adventures, Little Buck's Christmas, Refugee Status, and Tall Ship Chronicles, to name a few.

Nova Scotia's profile as a prime location for film shooting is growing. In the past the province hosted such movies as Weight of Water starring Elizabeth Hurley and Sean Penn, and La Veuve de Saint-Pierre starring Juliette Binoche and Daniel Auteuil. During 2000-2001 Nova Scotia received The Shipping News starring Kevin Spacey, Judi Dench, Cate Blanchett and Julianne Moore, K-19: The Widowmaker featuring Harrison Ford and Liam Neeson, as well as played the backdrop for many television movies of the week.

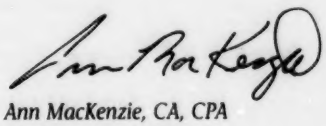
The Corporation was pleased to partner with Human Resources Development Canada on the Nova Scotia First Works program in the Preston area. First Works provided the opportunity for nine African Nova Scotian youth to participate as a team, led by award winning filmmaker Sylvia Hamilton, in a work-world model to write, plan, shoot and edit two videos. The program opened the doors to the growing film industry for the participants and allowed them to make a positive contribution to the Preston area communities.

The Corporation also partnered with the National Screen Institute to develop the NSI Global Marketing Program. This program will provide learning opportunities for emerging producers to enhance their skills in selling their films at global film and television markets.

The new film production facility in Shelburne hosted the Corporation's first installment of our Marquis Series of development seminars. The Scriptwriting Seminar provided an opportunity for five Nova Scotian writers to work on developing their scripts with well-known directors Atom Egoyan, Jeremy Podeswa and Amnon Buchbinder. Shelburne's location by the sea provided a natural backdrop and inspired creativity.

Through the Nova Scotia Film Industry Tax Credit, Equity Investment, Development Loan, New Media, Special Projects and Travel/ Marketing Assistance programs, the Corporation and the Government of Nova Scotia are proud to be playing a role in the development of Nova Scotia's vibrant film industry.

It has been my pleasure this past year to work with Nova Scotia's many talented filmmakers, a supportive board of directors and provincial government. The film and television industry requires a great deal of teamwork on all fronts and Nova Scotia's community consistently meets this challenge.



Ann MacKenzie, CA, CPA
Chief Executive Officer

Nova Scotia Film Development Corporation

The Corporation

Created in 1990 the Nova Scotia Film Development Corporation is a Provincial Crown Corporation and reports to the Department of Economic Development. It was created by the Government of Nova Scotia under the Nova Scotia Film Development Corporation Act.

The mission of the Corporation is to grow the Film and Video Industry in Nova Scotia by stimulating investment and employment and by promoting Nova Scotia's locations, skills and creativity in global markets. This includes activities designed to:

- assist and promote the development of the private-sector film and video industry in the Province in the areas of funding, marketing, promotion, training and education;
- create and stimulate employment and investment and encourage the making of film and video productions in the Province;
- assist and co-ordinate financial or other assistance by any departments, boards, commissions or agencies of the Province to the film and video industry in the Province and co-ordinate any financial or other assistance by any departments, boards, commissions or agencies from other jurisdictions to the film and video industry in the Province;
- encourage and promote Public/Private partnership opportunities allowing Nova Scotia producers to access additional private sector funds.

The affairs of the Corporation are directed by a Board appointed by the Government of Nova Scotia. The administration of the Corporation and its programs and the implementation of the Board's decisions are carried out by the Chief Executive Officer and other full-time staff of the Corporation. The Corporation's budget covers administration and all its industry development programs. In 2000 - 2001 the Corporation's budget was $2.4 million of which $2 million was available for investment activities.

The Personnel

The Corporation is administered by the Chief Executive Officer of the Corporation, Ann MacKenzie, who has been with the Corporation since 1997. The Chief Executive Officer reports to the Board and has chief responsibility for all film industry programs administered by the Corporation. A Locations Officer assists Ann in marketing Nova Scotia as a film location. A Director of Finance, a Director of Learning & Development, a Program Administrator, a FITAP Administrator and a Secretary/ Receptionist assist the Chief Executive Officer with film investment/incentive programs and other corporate initiatives.

Growing the Film Industry in Nova Scotia

The Nova Scotia Film Development Corporation has two streams of programs designed to develop the film industry in Nova Scotia.

The locations department promotes the Province as a place to film which results in co-productions or in attracting fully financed foreign films. The Locations Officer maintains an extensive library of photographs representing the entire

Province. The Corporation fills numerous location requests throughout the year. Locations packages include information on Nova Scotia, services available, location photographs and the much sought-after Nova Scotia Film and Video Production Guide. A high-quality informative guide to film and video production in the Province, the guide is a key tool used by producers and production companies when considering shooting in Nova Scotia.

Our second category of programs is aimed at local filmmakers. The Corporation's financial programs include equity investments, development loans, special project awards, training assistance, travel/marketing assistance and new media development loans & equity investments.

Additionally, the Nova Scotia Film Development Corporation administers the Nova Scotia Film Industry Tax Credit Program. The film tax credit is a labour-based, fully refundable tax credit, which is available to local and guest producers.

Both locations marketing and investing in local filmmakers contribute to the development of a stable and expanding film industry in Nova Scotia.

Locations Department

The NSFDC endeavours to maintain a high profile for Nova Scotia in the international film community through marketing, promotion and delivery of location and liaison information.

The NSFDC maintains membership in the Association of Film Commissioners International.

The Corporation presents at major film industry trade shows, festivals and arranges film industry trade missions. Marketing also includes developing key relationships with studio executives in off shore markets, and familiarizing decision makers with the skills of Nova Scotian crews and the settings Nova Scotia has to offer.

The Corporation produces a top-quality production guide, CD-ROM featuring Nova Scotia locations and Locations picture book.

All of these tools showcase Nova Scotia's varied location shooting possibilities.

The world is discovering all that Nova Scotia has to offer through diversity of landscapes, cultures and people. The following is a highlight of service and guest productions that took place in Nova Scotia in fiscal 2000-2001:

Commercials:	***$700,000***
Documentary:	***$230,000***
Feature/MOW:	***$33,700,000***
News/Other:	***$220,000***

In total, the above guest productions expended approximately $35 million in Nova Scotia.

Local Production

Film Industry Development Programs

The Nova Scotia Film Development Corporation administers several different economic incentive programs. These programs are accessible to Nova Scotia producers who may be acting alone or in co-productions with out-of-Province producers.

In the 2000-2001 fiscal year, there were seven financial programs available for Nova Scotian producers: the Equity Investment Program; the Development Loan Program; the Special Project Award; the Training Assistance Program; the Travel/Market Assistance Program; the New Media Fund and the Nova Scotia Film Industry Tax Credit. In 2000-2001, the Corporation had $2 million available for investment and producers accessed $12.6 million through the Nova Scotia Film Tax Credit.

Equity Investment & Development Loans

The Corporation will invest in a qualifying Nova Scotia production up to one-third of the production budget to maximum dollar participation per project of $200,000. Our investment triggers other sources of financing and enables producers to make their films.

The Corporation provides development loans of $25,000 per project to a maximum of one-third of the budget. These loans enable producers to develop their ideas to a stage where potential investors will be interested.

Travel/Market Assistance

The Corporation provides financial assistance for local producers to attend markets and festivals with the goal of selling completed works or attracting co-production partners for projects in the development stage.

Film Tax Credit

The film tax credit is a labour-based tax credit of 30-35% of eligible Nova Scotia labour capped at 15-17.5% of the total production budget depending on where the production is shot. The tax credit is a key financing tool used by producers to complete their film and television projects.

New Media Fund

The Corporation provides both equity investments and development loans for new media projects such as CD-ROMS and Internet-delivered programs.

Learning & Development

FITAP

The Film Industry Training Assistance program (FITAP) is a joint federal-provincial government initiative through the Canada-Nova Scotia COOPERATION Agreement on Economic Diversification. FITAP creates opportunities for on-the-job training experience by encouraging producers to promote crewmembers to higher levels or provide opportunities for crew to deepen their experience in a specific role. The Corporation will normally support up to four trainee positions per project to a maximum of $57,600. To date 75 people have advanced through the program. This program is designed to increase the expertise of Nova Scotia crews by allowing individuals to receive training through experience.

First Works

The First Works program is a hands-on film and video production curriculum with a work-readiness and leadership development component. This year Award winning filmmaker Sylvia Hamilton led a team of 9 African Nova Scotians between the ages of 18 and 29 through an eight-week introductory level training program. The program fosters creative talent and provides an introduction to work in the film industry in regions where training does not currently exist. Heartwood Institute led the key Life/Work skill development component. This year the team from Preston produced, wrote, directed and edited the short films One Woman's Success and Behind the Scenes at First Works Preston.

Since completing the program two participants realized the first of their goals set in entering the program, by securing crew positions on the feature film Wise Girls, which starred Mira Sorvino and Mariah Carrey.

All of the First Works films are now available for viewing at CBC.CA/YAS

Partnerships in Training

In 2000-2001 the Learning and Development Department invested in the delivery of Program Five by the Atlantic Filmmaker's Cooperative and the Centre for Art Tapes; Film and Video Workshops by Shortworks Film and Video Training; Workshops by the Moving Images Group; and the Mentorship Program through the Centre for Art Tapes.

In total 230 people developed more experience and skills in fields ranging from producing, writing, craft and management. Four new producer/director teams created short films resulting in the production and the showcasing of films by new talent. Eleven first time producers were introduced to the production process. Forty-five people accumulated precious hours of production experience enabling them to assume crew trainee positions or enhanced roles in their work.

M121

IMPORTANT NOTE CONCERNING THE FOLLOWING PAGES

THE PAGES WHICH FOLLOW HAVE BEEN FILMED TWICE IN ORDER TO OBTAIN THE BEST REPRODUCTIVE QUALITY

USERS SHOULD CONSULT ALL THE PAGES REPRODUCED ON THE FICHE IN ORDER TO OBTAIN A COMPLETE READING OF THE TEXT.

REMARQUE IMPORTANTE CONCERNANT LES PAGES QUI SUIVENT

LES PAGES SUIVANTES ONT ÉTÉ REPRODUITES EN DOUBLE AFIN D'AMÉLIORER LA QUALITÉ DE REPRODUCTION

LES UTILISATEURS DOIVENT CONSULTER TOUTES LES PAGES REPRODUITES SUR LA FICHE AFIN D'OBTENIR LA LECTURE DU TEXTE INTÉGRAL

micromedia
a division of IHS Canada

20 Victoria Street
Toronto, Ontario M5C 2N8
Tel.: (416) 362-5211
Toll Free: 1-800-387-2689
Fax: (416) 362-6161
Email: info@micromedia.on.ca

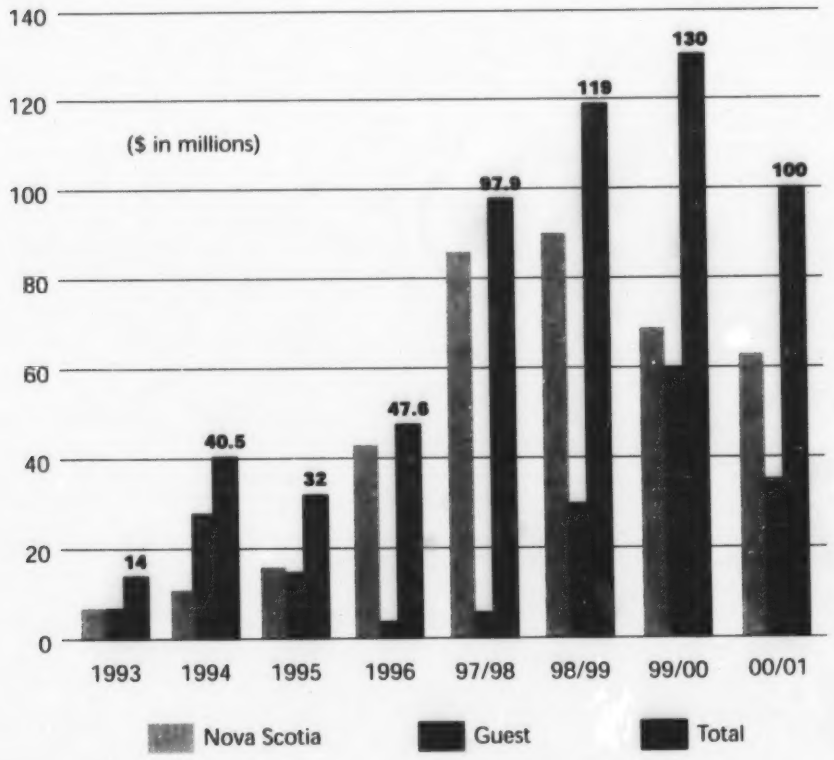
Special Initiative Programs

Sponsorships

The Atlantic Film Festival - The Atlantic Film Festival hosts public screenings of current films for adults and children, competitions, workshops and seminars that assist in the development of the industry. The prestigious Awards Luncheon recognizes filmmakers' accomplishments and the supportive community. Each year, work from around the world is showcased, but most importantly, works by Nova Scotian filmmakers are featured. This offers local audiences an opportunity to see original films by the region's up-and-coming talent. The Corporation views the Atlantic Film Festival as an important development and showcase opportunity for the Nova Scotia film industry and is, therefore, pleased to partner with the festival.

The Baddeck International New Media Festival - The Baddeck International New Media Festival is a celebration of new media content and creativity. It provides an opportunity to showcase the local multimedia producers to an international audience. The workshops, keynote addresses and awards program allow Nova Scotia's new media community to explore the many opportunities open to them.

Nova Scotia Film Production



NS vs GUEST*

93	=	7.0	vs	7.0
94	=	11.5	vs	29.0
95	=	17.0	vs	15.0
96	=	43.3	vs	4.3
97/98	=	92.5	vs	5.4
98/99	=	89.5	vs	29.5
99/00	=	70.0	vs	60.0
00/01	=	65	vs	35

** Please note that "Guest" production refers to non-Nova Scotia projects filmed in Nova Scotia.*

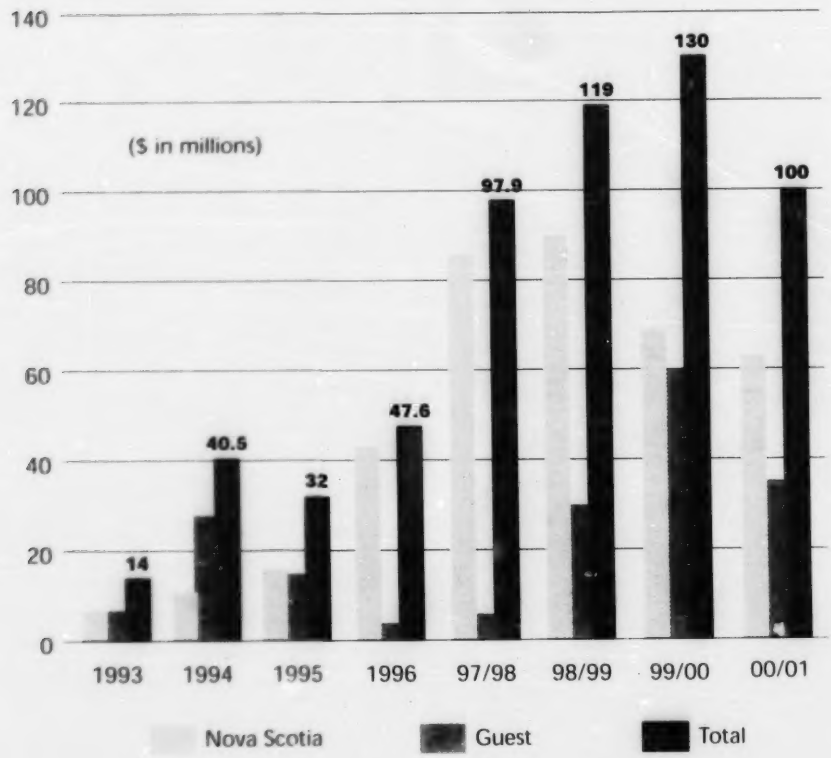
Special Initiative Programs

Sponsorships

The Atlantic Film Festival - The Atlantic Film Festival hosts public screenings of current films for adults and children, competitions, workshops and seminars that assist in the development of the industry. The prestigious Awards Luncheon recognizes filmmakers' accomplishments and the supportive community. Each year, work from around the world is showcased, but most importantly, works by Nova Scotian filmmakers are featured. This offers local audiences an opportunity to see original films by the region's up-and-coming talent. The Corporation views the Atlantic Film Festival as an important development and showcase opportunity for the Nova Scotia film industry and is, therefore, pleased to partner with the festival.

The Baddeck International New Media Festival - The Baddeck International New Media Festival is a celebration of new media content and creativity. It provides an opportunity to showcase the local multimedia producers to an international audience. The workshops, keynote addresses and awards program allow Nova Scotia's new media community to explore the many opportunities open to them.

Nova Scotia Film Production



NS vs GUEST*

93	=	7.0	vs	7.0
94	=	11.5	vs	29.0
95	=	17.0	vs	15.0
96	=	43.3	vs	4.3
97/98	=	92.5	vs	5.4
98/99	=	89.5	vs	29.5
99/00	=	70.0	vs	60.0
00/01	=	65	vs	35

** Please note that "Guest" production refers to non-Nova Scotia projects filmed in Nova Scotia*

Auditor's Report

NOVA SCOTIA Office of the Auditor General

AUDITOR'S REPORT

To the Members of the Legislative Assembly; and
To the Minister of Economic Development

I have audited the statement of financial position of the Nova Scotia Film Development Corporation as at March 31, 2001 and the statements of operations and changes in fund balances for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on our audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001 and the results of its operations and the cash flows for the year then ended in accordance with the accounting policies described in Note 2 to the financial statements.

E. R. Salmon

E. R. Salmon, FCA
Auditor General

Halifax, Nova Scotia
May 18, 2001

Nova Scotia Government Web Site
http://www.gov.ns.ca

Statement of Financial Position as at March 31, 2001

Assets

	General Fund	MTT New Media Fund	Total 2001	Total 2000
Current				
Cash and short-term investments	$1,360,764	$ 391,911	$ 1,752,675	$ 1,536,404
Other receivables	139,047	12,500	151,547	361,361
Prepaid expenses	12,198	—	12,198	15,904
	$1,512,009	$ 404,411	$ 1,916,420	$ 1,913,669

Liabilities

Current				
Payables and accruals, trade	$ 28,694	$ —	$ 28,694	$ 52,928
Deferred revenue	15,428	—	15,428	14,945
	44,122	—	44,122	67,873

Fund Balances

Unrestricted	5,127	326,490	331,617	328,459
Committed	1,462,760	77,921	1,540,681	1,516,337
	1,467,887	404,411	1,872,298	1,844,796
	$1,512,009	$404,411	$ 1,916,420	$ 1,913,669

Contingent Commitments General $1,462,760 (2000 - $1,393,154)

MTT New Media Fund $77,921 (2000 - $123,183) (Note 3)

APPROVED ON BEHALF OF THE BOARD

Chair

Member

Statement of Financial Position as at March 31, 2001

Assets	General Fund	MTT New Media Fund	Total 2001	Total 2000
Current				
Cash and short-term investments	$1,360,764	$ 391,911	**$ 1,752,675**	**$ 1,536,404**
Other receivables	139,047	12,500	**151,547**	**361,361**
Prepaid expenses	12,198	—	**12,198**	**15,904**
	$1,512,009	$ 404,411	**$ 1,916,420**	**$ 1,913,669**
Liabilities				
Current				
Payables and accruals, trade	$ 28,694	$ —	**$ 28,694**	**$ 53,928**
Deferred revenue	15,428	—	**15,428**	**14,945**
	44,122	—	**44,122**	**68,873**
Fund Balances				
Unrestricted	5,127	326,490	**331,617**	**328,459**
Committed	1,462,760	77,921	**1,540,681**	**1,516,337**
	1,467,887	404,411	**1,872,298**	**1,844,796**
	$1,512,009	$404,411	**$ 1,916,420**	**$ 1,913,669**

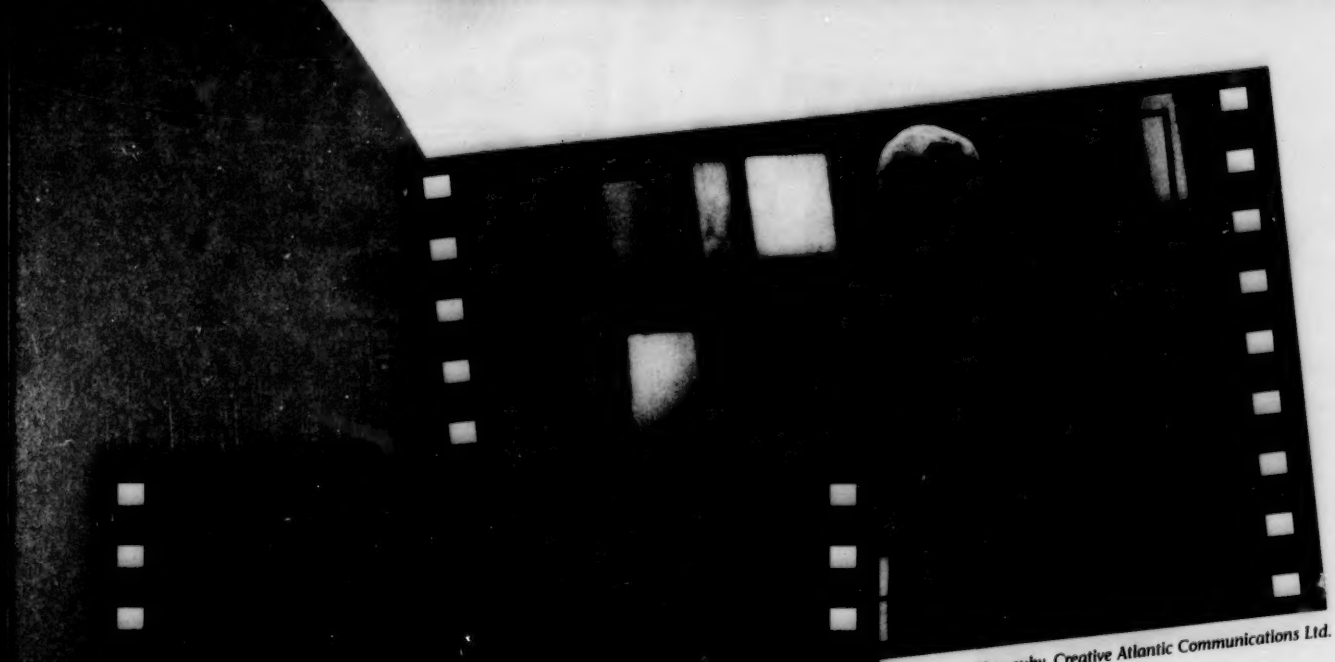
Contingent Commitments General $1,462,760 (2000 - $1,393,154)

MTT New Media Fund $77,921 (2000 - $123,183) (Note 3)

APPROVED ON BEHALF OF THE BOARD

Chair

Member



Liography, Creative Atlantic Communications Ltd.

K-19: The Widowmaker, Intermedia Films

Trailer Park Boys,
Trailer Park Productions & Topsail Entertainment

Statement of Operati
Changes in Fund Bal
for the year ende

	General Fund	MTT New Media Fund		
Revenues				
Contributions from the Department of Economic Development (Note 4)	$ 2,443,375	$ —		
Recovery of equity investments and development loans (Note 6 & 7)	214,165	12,5		
Contributions from MTT (Note 5)	—	—		
Contributions from general fund	—	—		
First Works	43,717	—		
Interest and other income	126,267	9		
	2,827,524	21		
Expenditures				
Equity investments (Note 6)	1,588,955	—		
Project development loans (Note 7)	210,999	—		
Special project grants	275,478	—		
Training assistance	74,335	—		
Film school feasibility	21,398	—		
First Works	148,687	—		
New Media development loans	—	65,		
Contributions to MTT New Media Fund	—	—		
Advertising and marketing (Page 16)	110,110	—		
Administrative expenses (Page 16)	326,420	—		
	2,756,382	65		
Excess (deficit) of Revenues over Expenditures	71,142	(43,		
Fund Balances, Beginning of Year	1,396,745	448,05		
Fund Balances, End of Year	$ 1,467,887	$ 404,41		

Statement of Operations and Changes in Fund Balances

for the year ended March 31, 2001

	General Fund	MTT New Media Fund	Total 2001	Total 2000
Revenues				
Contributions from the Department of Economic Development (Note 4)	$ 2,443,375	$ —	**$ 2,443,375**	$ 2,994,153
Recovery of equity investments and development loans (Note 6 & 7)	214,165	12,500	**226,665**	179,714
Contributions from MTT (Note 5)	—	—	**—**	175,000
Contributions from general fund	—	—	**—**	175,000
First Works	43,717	—	**43,717**	115,232
Interest and other income	126,267	9,126	**135,393**	83,838
	2,827,524	21,626	**2,849,150**	3,722,937
Expenditures				
Equity investments (Note 6)	1,588,955	—	**1,588,955**	2,175,710
Project development loans (Note 7)	210,999	—	**210,999**	267,421
Special project grants	275,478	—	**275,478**	289,085
Training assistance	74,335	—	**74,335**	113,031
Film school feasibility	21,398	—	**21,398**	26,702
First Works	148,687	—	**148,687**	30,198
New Media development loans	—	65,266	**65,266**	119,918
Contributions to MTT New Media Fund	—	—	**—**	175,000
Advertising and marketing (Page 16)	110,110	—	**110,110**	114,907
Administrative expenses (Page 16)	326,420	—	**326,420**	302,287
	2,756,382	65,266	**2,821,648**	3,614,259
Excess (deficit) of Revenues over Expenditures	71,142	(43,640)	**27,502**	108,678
Fund Balances, Beginning of Year	1,396,745	448,051	**1,844,796**	1,736,118
Fund Balances, End of Year	$ 1,467,887	$ 404,411	**$ 1,872,298**	$ 1,844,796

Notes to Financial Statements for the year ended March 31, 2001

1. Authority

The Nova Scotia Film Development Corporation was incorporated through an act proclaimed by the Governor in Council on August 1, 1990. The chief purpose of the Corporation is to promote the development of, and to create and stimulate employment and investment in, the Nova Scotia film and video industry by providing financial and other assistance.

The Corporation has been designated by the Minister of Finance to administer the Nova Scotia Film Tax Credit Program, including registration of productions and review of tax credit applications.

2. Significant Accounting Policies

a) A statement of cash flows is not provided since disclosure in the statement of operations and changes in fund balances is considered adequate.

b) The accompanying financial statements have been prepared in accordance with generally accepted accounting principles except for the following items:

i) Program grants, loans and equity participation are charges to current expenditures as disbursed. Recoveries derived from equity investments and development loans are recorded as revenue when received. It is not feasible to accrue recoveries from equity investments and project development loans since these recoveries remain uncertain until received, as they are based upon the financial results of the recipients' activities.

ii) Capital asset acquisitions are recorded as current expenditures.

iii) The costs incurred by government departments providing certain services to the Corporation are not reflected in these statements.

3. Surplus and Contingent Commitments

Because of the lead times required to obtain all the resources necessary to complete film and video productions, the Corporation approves applications for funding which will not result in program disbursements until subsequent fiscal periods.

As at March 31, 2001, the Corporation is contractually committed to advance funds totalling $1,462,760 (2000 - $1,393,154) from the general fund and $77,921 (2000 - $123,183) from the MTT New Media fund as investments and loans in respect of current and future projects.

4. Costs Paid by the Province of Nova Scotia

During the year, services were provided to the Corporation by government departments, the estimated amounts are as follows:

	2001	2000
Legal Services	$ 60,000	$ 57,937
Rent	30,000	30,000
	$ 90,000	$ 87,937

The cost of these services is not reflected in these financial statements.

5. MTT New Media Fund

The Corporation and Maritime Tel & Tel (MTT) entered into an agreement on August 18, 1997 for the purpose of assisting the Corporation's mandate to develop Nova Scotia film, video and multi-media productions. MTT agreed to contribute $400,000 over three years (1998 - $75,000; 1999 - $150,000; 2000 - $175,000) which contribution will be matched by the Corporation. These funds are to be segregated and disbursed according to the guidelines jointly developed by the Corporation and MTT. The activities, assets and liabilities of this fund have therefore been distinguished from those of the general funds of the Corporation in these financial statements.

6. Equity Investments

Production assistance in the form of equity investment is provided to eligible producers for the financing of productions that will provide employment and economic benefit to Nova Scotians. Equity investments are made with the condition of repayment through participation in revenues by projects. Revenue is recorded as received.

During the year the Corporation received $124,295 (2000 - $127,712). The total of equity investments of the Corporation to March 31, 2001 is $16,977,968, with recoupment to March 31, 2001 of $889,236, for a net of $16,088,732.

7. Project Development Loans

The Corporation provides loans to qualified applicants to support the essential process of development which takes an idea through the stages of research, writing, market analysis and costing, which must precede the completion of production financing arrangements. Support for the development of a project does not necessarily imply support for a production. All project development loans are charged to current expenditures when disbursed. Project development loans are interest free and are to be repaid the earlier of the first day of principal photography or on the optioning, sale or transfer of the property to a third party. Total development loans outstanding on March 31, 2001 were $1,087,873 (2000 - $1,009,346). Development loans of $89,870 (2000 - $52,000) were recouped during the year.

8. Public Service Superannuation Fund

All full-time employees of the Corporation are entitled to receive pension benefits pursuant to the provisions of the pension plan established under the Public Service Superannuation Act. The plan is funded by equal employee and employer contributions. The employer's contributions are included in the Corporation's administrative expenses. The Public Service Superannuation Fund is administered by the Department of Finance.

9. Economic Dependence and Related Party Transactions

The Province of Nova Scotia is a related party of the Corporation. The Corporation is dependant on the Department of Economic Development for annual funding. Details of any transactions between these related parties are separately disclosed.

Tall Ship Chronicles, Topsail Entertainment Limited

M121

IMPORTANT NOTE CONCERNING THE FOLLOWING PAGES

THE PAGES WHICH FOLLOW HAVE BEEN FILMED TWICE IN ORDER TO OBTAIN THE BEST REPRODUCTIVE QUALITY

USERS SHOULD CONSULT ALL THE PAGES REPRODUCED ON THE FICHE IN ORDER TO OBTAIN A COMPLETE READING OF THE TEXT.

REMARQUE IMPORTANTE CONCERNANT LES PAGES QUI SUIVENT

LES PAGES SUIVANTES ONT ÉTÉ REPRODUITES EN DOUBLE AFIN D'AMÉLIORER LA QUALITÉ DE REPRODUCTION

LES UTILISATEURS DOIVENT CONSULTER TOUTES LES PAGES REPRODUITES SUR LA FICHE AFIN D'OBTENIR LA LECTURE DU TEXTE INTÉGRAL

micromedia
a division of IHS Canada

20 Victoria Street
Toronto, Ontario M5C 2N8
Tel.: (416) 362-5211
Toll Free: 1-800-387-2689
Fax: (416) 362-6161
Email: info@micromedia.on.ca

Advertising & Marketing Expenses
for the year ended March 31, 2001

	2001	2000
Advertising	$ 40,940	$ 32,800
Annual report	5,670	5,347
Business travel and expenses	21,927	21,402
Location scout	7,291	8,043
Photos/location services	12,801	5,892
Production guide, net of receipts of $78,119 (2000 - $72,807)	(10,510)	5,804
Salaries and benefits	31,991	35,619
TOTAL	$ 110,110	$ 114,907

Administrative Expenses
for the year ended March 31, 2001

	2001	2000
Bank charges	$ 2,033	$ 1,124
Board honorarium and expenses	17,212	17,646
Capital equipment	4,894	7,213
Conferences/marketing	6,639	6,006
Consultants	7,710	15,110
Courier services	5,021	6,498
Dues, fees and subscriptions	4,733	4,803
Insurance	1,250	1,427
Office supplies	17,138	15,751
Photocopier/fax rental	3,869	5,282
Postage	4,991	6,476
Professional fees	4,000	4,000
Repairs and maintenance	1,742	1,347
Salaries and benefits	240,457	196,123
Staff training	2,481	1,481
Telephone and fax	2,250	12,000
TOTAL	$ 326,420	$ 302,287

Advertising & Marketing Expenses

for the year ended March 31, 2001

	2001	2000
Advertising	$ 40,940	$ 32,800
Annual report	5,670	5,347
Business travel and expenses	21,927	21,402
Location scout	7,291	8,043
Photos/location services	12,801	5,892
Production guide, net of receipts of $78,119 (2000 - $72,807)	(10,510)	5,804
Salaries and benefits	31,991	35,619
TOTAL	$ 110,110	$ 114,907

Administrative Expenses

for the year ended March 31, 2001

	2001	2000
Bank charges	$ 2,033	$ 1,124
Board honorarium and expenses	17,212	17,646
Capital equipment	4,894	7,213
Conferences/marketing	6,639	6,006
Consultants	7,710	15,110
Courier services	5,021	6,498
Dues, fees and subscriptions	4,733	4,803
Insurance	1,250	1,427
Office supplies	17,138	15,751
Photocopier/fax rental	3,869	5,282
Postage	4,991	6,476
Professional fees	4,000	4,000
Repairs and maintenance	1,742	1,347
Salaries and benefits	240,457	196,123
Staff training	2,481	1,481
Telephone and fax	2,250	12,000
TOTAL	$ 326,420	$ 302,287